

United States Department of Agriculture
Research, Education, and Economics

ARS □ ERS □ NASS □ NIFA

Bulletin

Title: Payment Process for Lease and Other Real Estate Agreements

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This issuance is being created to establish a formal process to administer real estate agreements and the payment of rent and services.

Table of Contents

Purpose.....	1
Background	1
Policy	1
Responsibilities	1
References/Authorities.....	3
Definitions.....	3
Exhibits	4

Purpose

This issuance is being published to assist real estate professionals and those involved with payment of consideration and fees associated with real estate agreements and direct leases through the National Finance Center, Office of the Chief Financial Officer, Agricultural Research Service Operations Section (ARSOPS). ARSOPS has a service level agreement with ARS for the processing and disbursement of such payments via electronic fund transfer (EFT) or check.

Background

This issuance is to provide formal guidance to identify the responsibilities and basic procedures to ensure leases, realty agreements and services are periodically reviewed within the Corporate Property Automated Information System. This Bulletin also provides guidance to consistently process payments associated with such real estate contracts.

Policy

It is Agricultural Research Service (ARS) policy that RPLOs request payment for real estate agreements, services associated with such agreements and leases entered into under the Department of Agriculture's (USDA) delegated leasing authority from the General Services Administration (GSA).

Responsibilities

The following staff or their designee will perform the functions listed.

Administrative Officers (AOs) or Program Support Assistants

- Prepare an *AD-700*, Procurement Request, for the commitment of funds associated with real estate agreements (e.g., payment of rent and/or services). Ensures the *AD-700, Procurement Request (AD-700)*, is complete and reflects the associated real estate agreement reference (e.g., Agreement Number, Lease Number, License Number, etc.) along with proper: "Budget Object", "Acc Line", "Quantity", "Unit Price", "Amount", "Seller", "Accounting Classification and Vendor ID Code.

(NOTE: The *AD-700* will state the following for services related payments if such payments are only due upon being invoiced "*No payment until invoice submitted.*" and include the period of performance or term.

- Create an Administrative and Financial Management Customer Service Portal (AFMCSP) Ticket, attaching the corresponding *AD-700*, and submit these to the RPLO for a real estate agreement or services. The AFMCSP Ticket should be saved under the “Realty” function.
- Forward invoices for services to the RPLO to ensure payments are made in accordance with Departmental policy and procurement regulations. The associated real estate agreement number should be clearly identified on the invoice or inserted.
- Obtain and review Transaction Detail Listings and an Unliquidated Obligations Reports from the Budget and Fiscal Officer (BFO) or his/her staff, identifying any issues with regards to real estate agreements to the RPLO.

Business Service Center Travel Specialists will:

- Pull and accept the Portal Ticket, with Vendor Request Form attached, for processing and establishing the Vendor ID.
- Create a “PVND” request within the Department’s Financial Management Modernization Initiative (FMMI) financial system for a new “Vend Code” to be assigned.
- Establish Vendors in the Vendor Record Table within FMMI according to established procedures.
- Provide RPLO with “Vendor ID Code” from FMMI.

Business Service Center Real Property Leasing Officers will:

- Review/maintain CPAIS lease data for their respective Areas and taking action to ensure lease numbers, dates, renewal options, etc. are accurate and up-to-date.
- Complete a “Vend Table Request Form” to request a Lessor be established as a Vendor within FMMI.
- Create an AFMCSP Ticket and attach the Vend Table Request Form before submitting for processing by the Business Service Center Travel Specialist. The ticket should be saved under the “Travel” function.
- Pull and accept the AFMCSP Ticket for Lease or Services Payments/Annual Renewals, reviewing the corresponding *AD-700*. The *AD-700* should identify the Vendor ID, reflect the period covered (lease term or period of performance for services) and the terms of payment (e.g., if quarterly payments are due, the “Quantity” field would be populated with “4”). **Unless otherwise stated in the real estate agreement and on the *AD-700*, rent and services payments will be made in arrears.**
- Submitting the *AD-700* and a scan of the realty agreement or lease as early as possible to allow for establishing payment schedules through ARSOPS. The *AD-700* should reflect the period covered (lease term or period of performance for services) and the terms of payment (e.g., if quarterly payments are due, the “Quantity” field would be populated with “4”). **Unless otherwise stated in the real estate agreement and on the *AD-700* will be made in arrears.**
- Scan and submit the real estate agreement (e.g., Lease or Invoice for Services) and corresponding *AD-700* via email to NFC at ARSOPS@nfc.usda.gov. (**NOTE:** ARSOPS will enter payment information and process payments for disbursement by Treasury. For leases that indicate nominal consideration, receipt of which has been acknowledged, if there are **no** payments to be processed by ARSOPS, then neither a copy of the lease, nor an *AD-700* is submitted to ARSOPS. Subsequently, if a lease requires an initial consideration of a nominal amount to be paid, then the lease and *AD-700* for the initial term is submitted to ARS; however,

the AD-700 should clearly state, “*Payment of initial term in the amount of \$ ____ with no further consideration due for any renewal option exercised.*”

- Obtain a FMFI Purchase Order Number for lease, services, etc. payments from ARSOPS once the action is processed in FMFI. (**NOTE:** RPLOs should keep in mind that Treasury handles disbursement between five - 30 days from the date ARSOPS receives the invoice from the RPLO. This is assuming that the vendor record indicates that the vendor is subject to the 30-day prompt pay.)
- Provide ARSOPS with a copy of each lease termination notification, annual renewal notification, notification of lease holdover, and written communication identifying expiration where not further lease payments are to be made after the final lease payment.
- Coordinate non-payment issues, if/when they arise until resolved.
- Coordinate with ARSOPS to ensure realty agreement information, including Vendor information, is up-to-date.

References/Authorities

United States Code 3901 et. seq., Prompt Payment Act

USDA Real Property Leasing Handbook, December 1, 2010

USDA Office of the Chief Financial Officer Budget Object Classification Codes, May 2013

165.0 Real Property Leasing Officer and Lease Delegations of Authority, as amended

Definitions

American Bankers Association Routing Transit Number (also referred to as either an ABA Number or Routing Number) is a nine digit code, used in the United States, usually appearing on the bottom of negotiable instruments (e.g., checks) to identify an entity’s financial institution to which deposits are made or upon which withdrawals are made.

Seller or Recommended Source, as listed on the AD-700 is used synonymously with Lessor, Vendor or Grantor.

ACRONYMNS

ABA	-	American Bankers Association
AFMCSP	-	Administrative and Financial Management Customer Service Portal
AOs	-	Administrative Officers
ARSOPS	-	ARS Operations Section (at NFC)
EFT	-	Electronic Fund Transfer
FMMI	-	Financial Management Modernization Initiative
G-REX	-	General Services Administration's Real Estate Exchange System
GSA	-	General Services Administration
RPLOs	-	Real Property Leasing Officers
SAMs	-	System for Award Management
USDA	-	United States Department of Agriculture

Click here to enter text.

Enter Date.
May 25, 2016

NINO L. FLERI
Director
Facilities Division

Exhibits

Example Exhibits are reflected for guidance purposes only.

- Exhibit 1, Email to ARS-OPS to set up a lease file for payment(s)
- Exhibit 2, Procurement Request for quarterly lease payments
- Exhibit 3, Procurement Request for quarterly services payments
- Exhibit 4, FMMI Vendor Interim PVND Form Version 1.1

[Real Property Leasing Officer's Name]

From: [Real Property Leasing Officer]
Sent: Friday, April 22, 2017 9:56 AM
To: AROPS@nfc.usda.gov
Cc: [Insert Administrative Officer]
Subject: New [Insert Area Abbreviation] Lease Number 57-XXXX-XX-XXXX

ARSOPS:

Attached is a fully-executed lease agreement and AD-700 for the above-referenced lease. This new lease supersedes Lease Number XX-XXXX-XX-XXXX which was negotiated with the same Vendor/Lessor.

In addition, this lease includes services. A second AD-700 for services, payable upon receipt of invoice, is also attached.

Upon setting up this lease for payment, would it be possible to have the inputter provide me with a Purchase Order Number?

If you have any questions regarding this request, please contact me. In advance, thank you.

[Insert Name], Real Property Leasing Officer
[Insert Address]
Phone: XXX-XXX-XXXX

2 Attachments:
Lease Agreement
AD-700

PROCUREMENT REQUEST <small>INSTRUCTIONS: Agencies must provide entries in unshaded areas. See reverse.</small>			TO: (Procurement Office) [Insert BSC Real Property Leasing Officer's Name, Address and Contact Telephone]					1. REQUESTING OFFICE [Insert Location Name and Location Contact (name & phone number) initiating request]				
2. RECEIVING OFFICE NO.		3. CONTRACT NUMBER <small>(if Applicable)</small>		4. ORDER DATE	5.	6. UNIT CODE	7. FUND CODE	8. PURCHASE/DELIVERY ORDER NUMBER	9. SUB.	1A. PROCUREMENT REQUEST NO. X01-XXXX-XXX-XXX		
										1B. DATE February 15, 2017		
CHECK ONE <input type="checkbox"/> Purchase Order <input type="checkbox"/> Delivery Order		10. TO: (Seller) Whispering Wind Farms 123 Rural Route 20 West This Town, Maryland XXXXX					11. SHIP TO: (Consignee and Destination) USDA-ARS [Insert Research Unit Name] [Insert Address Line 1] [Insert Address Line 2]					
										<input type="checkbox"/> INSIDE DELIVERY REQUESTED		
12. LINE ITEM	13. ACT. CODE	14. DESCRIPTION					15. BUDGET OBJECT	16. ACC. LINE	17. QUANTITY	18. UNIT ISSUE	19. UNIT PRICE	20. AMOUNT
1		Rent for Land Lease No. 57-XXXX-XX-XXXX Period of Performance: April 1, 2017-March 30, 2018 Vendor ID: XXXXXXXXXX WBS: AR.OM.XXX.01.966 Cost Center #ARXXXXXXXX					2300	1	4	EA	3,000.00	12,000.00
For additional information, please contact: Dr. X. Adams XXX-XXX-XXXX												
TECHNICAL CONTACT						TELEPHONE NO.						
21. FOB POINT						22. DISCOUNT TERMS						
						Sub-Total ▶ 12,000.00						
23. REQUIRED DELIVERY <small>(Do not use ASAP)</small>						24. SHIP VIA		25. ESTIMATED FREIGHT		26. TOTAL ▶ 12,000.00		
29. ACCOUNTING CLASSIFICATION						30. DISTRIBUTION						
28. ACC. LINE	A	B	C		D	E				31. AMOUNT		
2	5	10	5	3	4	1	4	1	2	100 %	12,000.00	
X	X01	XXXX	966	001						%		
										%		
										%		
										%		
										%		
										%		
RECOMMENDED SOURCE(S) (If necessary, use attachment) Whispering Wind Farms 123 Rural Route 20 West This Town, Maryland XXXXX (XXX) XXX-XXXX						I certify that the above items are necessary for use in the public service. TITLE ADMINISTRATIVE OFFICER SIGNATURE OF AUTHORIZED REPRESENTATIVE <i>Yail Jones</i> 2/15/17						
This form was electronically reproduced by USDA/ARS/OICD/ADB.						AD-700 (4-82)						

(NOTE: AD-700s should have notation, subject to the availability of funds and passage of an Appropriation by Congress if provided by the AO prior to the Agency receiving funding.)

Exhibit 2

FMMI Vendor Interim PVND Form Version 1.1			
FAX to 504 426 9763			
Question about the form and the interim FMMI PVND process may be directed to your Agency/Area FATA			
Requestor Name	Judy Adams		
Self Tracking Reference Number			
Completion of request will be notified by e-mail.			
Requestor E-mail	Judy.Adams@ars.usda.gov		
Requestor Phone	301-504-1222	Request Date	05/05/2016
Agency	USDA, ARS, Beltsville, MD		
Action Requested	<input checked="" type="checkbox"/> ADD	<input type="checkbox"/> CHANGE	<input type="checkbox"/> BLOCK
FMMI Vendor Code (for changes and blocks):			
GovTrip Pseudo			
VENDOR ACCOUNT GROUPS Check only one			
<input type="checkbox"/> ZEMP (Z2) – EMPLOYEES	<input checked="" type="checkbox"/> ZNFV (Z1) – Non-Federal Vendors		
<input type="checkbox"/> ZFDN (Z3) – Federal Non-USDA Vendors	<input type="checkbox"/> ZFDU (Z4) – Federal USDA Vendors		
<input type="checkbox"/> ZSAL (Z5) – State and Local Government	<input type="checkbox"/> ZFOR (Z6) – Foreign Vendors		
<input type="checkbox"/> ZTPA (Z7) – Non-Federal 3 rd Party Assignee	<input type="checkbox"/> ZINT (Z2) – Invitational Traveler		
<input type="checkbox"/> ZPFD (Z8) – Producers	<input type="checkbox"/> ZSET (Z2) – Settlement and Injuries		
Vendor Name	MONTGOMERY BOTANICAL CENTER		
DBA: Name			
Street Address 1	11901 Old Cutler Rd		
Street Address 2			
Zip	33156-4242		
City	Miami		
Country	U.S.A		
State	FL		
Vendor Contact Name	PATRICK GRIFFITH		
Vendor Contact Phone	305-667-3800		
SSN	##-####-(TIN)	In FMMI, there are separate fields for Social Security Numbers and	
TIN		Taxpayer Identification Numbers please populate the appropriate box.	
Industry Check Only One required for ZNFV Non-Federal Vendors Account Group			
<input type="checkbox"/> Z001 – Commercial/Consumer	<input type="checkbox"/> Z004 – Permits		
<input type="checkbox"/> Z002 – Sovereign	<input type="checkbox"/> Z005 – Settlements / Injured		
<input type="checkbox"/> Z003 – Non-Profit Entity	<input type="checkbox"/> Z006 – Supplemental Employee		
Banking Information			
Bank Name	Bank of America		
Routing Number	#####		
Bank Account	#####		
Bank Account Type Check One	<input checked="" type="checkbox"/> Checking	<input type="checkbox"/> Savings	
Waiver Code when EFT is not used			
<input type="checkbox"/> 01 No Bank Account	<input type="checkbox"/> 02 Hardship	<input type="checkbox"/> 03 Foreign Entity	<input type="checkbox"/> 04 Disaster Area
<input type="checkbox"/> 05 Military ops	<input type="checkbox"/> 06 National Security	<input type="checkbox"/> 07 One Time Payment	<input type="checkbox"/> 08 Emergency pmt
ALC (Required for Federal Vendors)			
Comments			
Vend table request for real property transaction.			

NOTE: If a Vendor's address or banking information requires changing, the Vendor must first make such edits in the System for Award Management (SAMs) database.Exhibit 4 (Page 1 of 2)

FMMI Vendor Interim Form Instructions

Requestor Name	Place the name of the person submitting the request
Self Tracking Reference Number	We recommend you number your requests and track them. We will reference this number on the e-mail notification upon completion of your request. We will not send any PII (Personally Identifiable Information) via the internet.
Requestor E-mail	We will send an e-mail notification upon completion of requests. It is very important that we be able to send the new Vendor code to you. The vendor codes in FMMI do not contain the SSN/TIN in their construct.
Requestor Phone	As a backup to e-mail communications please include your phone number. Please include extension.
Request Date	Enter the date of your request.
Agency	Enter the agency requesting the change or add. Normally this will be your agency, unless you are cross servicing.
Action Requested	<ol style="list-style-type: none"> 1. Add check add if this is a new record. 2. Change check change if you are modifying an existing FMMI vendor. Be sure to provide the Vendor Code in the Vendor Code field. 3. Block this is the equivalent of inactivating a vendor. Be sure to provide the Vendor Code in the Vendor Code field.
Vendor Code	Only fill this out with the FMMI Vendor code for existing records. DO NOT ENTER AN OLD FFIS VENDOR CODE HERE. You need to fill this out for changes and blocks.
GovTrip Pseudo	For employees and non-employee travelers. We will adjust the Pseudo to GovTrip when needed.
Vendor Account Groups	Check the appropriate account group.
Vendor Name	Vendors Legal Name will be used to TIN match with the IRS
DBA Name	Doing Business As
Street Address 1	First line of address
Street Address 2	Second line of address
Zip	Note ZIP code is before city in FMMI. FMMI is based on SAP a German company. The equivalent field to ZIP in Europe is placed before City. We will need to get used to this..
City	City
State	Enter the two digit postal state abbreviation.
Vendor Contact Name	Enter the name of the point of contact with the vendor.
Vendor Contact Number	Enter the phone number of the point of contact with the vendor.
SSN	Enter the SSN for the vendor
TIN	Enter the TIN for the vendor.
Industry	Check the appropriate Industry, only required if the ZNFV Account Group is checked.
Bank Name	Optional but include if you know it.
Routing number	Enter the bank routing number
Bank Account Type	Check either Savings or Checking
Waiver Code	Check the appropriate waiver code when banking is not present.
ALC	Eight digit ALC code only required for Federal Vendors.